

DOCUMENT RESUME

04569 - [B0044938]

Audit of the Office of the Attending Physician Revolving Fund, Fiscal Year 1977. GGD-78-31; B-181804. December 29, 1977. 3 pp. + 3 enclosures (3 pp.).

Report to the Congress; by Robert F. Keller, Acting Comptroller General.

Issue Area: Accounting and Financial Reporting (2800).

Contact: General Government Div.

Budget Function: General Government: Legislative Functions (801).

Organization Concerned: Congress: Office of the Attending Physician.

Congressional Relevance: House Committee on House Administration; Senate Committee on Rules and Administration; Congress.

Authority: Legislative Branch Appropriation Act [of] 1976 (89 Stat. 283).

The financial transactions of the Office of the Attending Physician Revolving Fund for fiscal year 1977 were audited in accordance with generally accepted auditing standards. Financial statements for the revolving fund were prepared from records furnished by the fund. These statements do not include certain expenses such as labor, syringes, and other supplies incurred in revolving fund operations and paid for with appropriated funds. Findings/Conclusions: The purchase and resale of prescription drugs make up the majority of the funds' receipts and disbursements. Authorizing legislation requires all moneys received from the sale of drugs or other sources to be deposited by the Office in the revolving fund and permits disbursements from the fund for the purchase of drugs for resale. After restoring any impairment of capital, the fund's net income is required to be transferred to the general fund of the U.S. Treasury. The net income to be transferred to the Treasury for fiscal year 1977 is \$1,406.06. (RRS)

04569

REPORT TO THE CONGRESS



*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

Audit Of The Office Of The Attending Physician Revolving Fund--Fiscal Year 1977

Congress of the United States



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-181804

To the President of the Senate and the
Speaker of the House of Representatives

Pursuant to the Legislative Branch Appropriation Act, 1976 (89 Stat. 283), we audited the financial transactions of the Office of the Attending Physician Revolving Fund for fiscal year 1977.

SCOPE OF AUDIT

Our audit was made in accordance with generally accepted auditing standards and included an examination of the accounting records and such other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

We prepared the financial statements for the revolving fund from records furnished us. We adjusted the records, which were maintained on a cash basis, to present the financial position and results of the revolving fund operations on an accrual basis. These statements do not include certain expenses--such as labor, syringes, and other supplies--incurred in revolving fund operations and paid for with appropriated funds.

In our opinion, the accompanying statements (schs. 1, 2, and 3), prepared on a basis consistent with that of the preceding period and in accordance with the financial arrangements described above, present fairly the financial position of the Office of the Attending Physician Revolving Fund at September 30, 1977 and 1976, the results of its operations, and the changes in its financial position for the periods then ended.

GENERAL COMMENTS

The Office of the Attending Physician was established in 1928 to serve the medical needs of the Members of Congress. The Office of the Attending Physician Revolving Fund--established by the Legislative Branch Appropriation Act, 1976--became effective August 1, 1975. It was capitalized through a transfer of the balance in the Office of the Attending Physician suspense account maintained by the Clerk of the House of Representatives.

The act requires all moneys received from the sale of drugs or any other source to be deposited by the Office in the revolving fund, and permits disbursements to be made from the fund for the purchase of drugs for resale.

After restoring any impairment of capital, the fund's net income, as established by our annual audit, is required to be transferred to the general fund of the U.S. Treasury. The net income to be transferred to the Treasury for fiscal year 1977 is \$1,406.06. (See sch. 2.)

REVOLVING FUND ACTIVITIES

Prescription drug sales

The purchase and resale of prescription drugs make up the majority of the fund's receipts and disbursements. The Office purchases wholesale drugs and resells them for cash to Members' families and congressional employees. The price charged is unit cost rounded upward to the nearest nickel. The Office receives a 2-percent cash discount from its wholesaler for prompt payment. During the fiscal year prescription drug sales amounted to \$26,171.56.

Immunization receipts

The Office charges a \$1 fee for gamma globulin, polio, and certain influenza immunizations given to congressional employees. At the direction of the Attending Physician, these vaccines are provided free to Members and officials of the Congress. During the fiscal year immunization receipts totaled \$1,805.

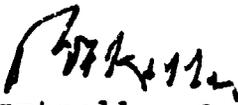
In our previous report on the Office's revolving fund (GCD-77-29, Mar. 9, 1977), we recommended that the Office purchase through the fund those types of vaccines which are given at a fee. During fiscal year 1977, the gamma globulin and polio vaccines given at a fee were purchased from the revolving fund and included in the financial statements. (See schs. 1, 2, and 3.) The Office also purchased the influenza vaccine, which will be administered during fiscal year 1978, through the revolving fund.

The influenza vaccine, which was administered during fiscal year 1977, was purchased with appropriated funds prior to the issuance of our March 1977 report. Our review of the costs and revenues for the revolving fund's activities resulted in a net adjustment of \$1,373.08 due from the revolving fund to appropriated funds at September 30, 1977.

Insurance receipts

The Office furnishes medical transcripts and performs physical examinations for life insurance applicants. Payments of \$244 were received from life insurance companies for these services and deposited in the revolving fund during the fiscal year.

As required by the Legislative Branch Appropriation Act, 1976, we are sending copies of this report to the Subcommittees on the Legislative Branch, House and Senate Committees on Appropriations; the House Committee on Government Operations; the Senate Committee on Governmental Affairs; and the Clerk of the House of Representatives.


Comptroller General
of the United States

CONGRESS OF THE UNITED STATES
OFFICE OF THE ATTENDING PHYSICIAN
REVOLVING FUND
COMPARATIVE BALANCE SHEET
SEPTEMBER 30, 1977 AND 1976

ASSETS	<u>1977</u>	<u>1976</u>
CURRENT ASSETS:		
Cash in U.S. Treasury	\$2,867.60	\$2,615.59
Change fund	25.00	25.00
Undeposited receipts	614.70	1,000.95
Accounts receivable	35.45	-
Inventory of drugs (note a)	140.00	259.20
Inventory of vaccines (note b)	<u>1,407.46</u>	<u>-</u>
Total	<u>\$5,090.21</u>	<u>\$3,900.74</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$1,844.65	\$1,215.37
Amount due Office of Attending Physician appropriated funds	<u>1,373.08</u>	<u>1,217.58</u>
Total	<u>3,217.73</u>	<u>2,432.95</u>
EQUITY:		
Balance at beginning of period	1,467.79	466.42
Less: Amount transferred to U.S. Treasury	<u>1,001.37</u>	<u>-</u>
	466.42	466.42
Add: Excess of revenue over costs	<u>1,406.06</u>	<u>1,001.37</u>
Balance at end of period	<u>c/1,872.48</u>	<u>1,467.79</u>
Total liabilities and equity	<u>\$5,090.21</u>	<u>\$3,900.74</u>

a/Undelivered customers' prescriptions, stated at cost.

b/Vaccines are stated at cost, using the first-in first-out method of valuation.

c/As explained on p. 2 of the letter, \$1,406.06 is to be transferred to the U.S. Treasury.

CONGRESS OF THE UNITED STATES
OFFICE OF THE ATTENDING PHYSICIAN
REVOLVING FUND
COMPARATIVE STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1977
AND THE 14-MONTH PERIOD ENDED SEPTEMBER 30, 1976

	FY <u>1977</u>	Period ended September 30, <u>1976</u>
REVENUE:		
Prescription drug sales	\$26,171.56	\$27,966.60
Immunization receipts	1,805.00	1,581.00
Insurance receipts	<u>244.00</u>	<u>397.50</u>
Total revenue	<u>28,220.56</u>	<u>29,945.10</u>
COSTS:		
Prescription drugs	25,560.15	27,307.22
Immunization vaccines	<u>1,254.35</u>	<u>1,636.51</u>
Total costs	<u>26,814.50</u>	<u>28,943.73</u>
EXCESS OF REVENUE OVER COSTS	<u>\$ 1,406.06</u>	<u>\$ 1,001.37</u>

CONGRESS OF THE UNITED STATES

OFFICE OF THE ATTENDING PHYSICIAN

REVOLVING FUND

COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1977

AND THE 14-MONTH PERIOD ENDED SEPTEMBER 30, 1976

	<u>FY</u> <u>1977</u>	<u>Period ended</u> <u>September 30,</u> <u>1976</u>
FUNDS PROVIDED:		
Prescription drug sales	\$26,171.56	\$27,966.60
Immunization receipts	1,805.00	1,581.00
Insurance receipts	<u>244.00</u>	<u>397.50</u>
Total	<u>\$28,220.56</u>	<u>\$29,945.10</u>
FUNDS APPLIED:		
Cost of prescription drugs	\$25,560.15	\$27,307.22
Cost of immunization vaccines	1,254.35	1,636.51
Increase in working capital	404.69	1,001.37
Amount transferred to U.S. Treasury	<u>1,001.37</u>	<u>-</u>
Total	<u>\$28,220.56</u>	<u>\$29,945.10</u>

ANALYSIS OF CHANGES IN WORKING CAPITAL

	<u>Increase or</u> <u>decrease (-)</u>	<u>Increase or</u> <u>decrease (-)</u>
WORKING CAPITAL CHANGES:		
Cash	\$ -134.24	\$ 1,303.49
Accounts receivable	35.45	-18.20
Inventory	1,288.26	137.40
Accounts payable	-629.28	796.26
Amount due Office of Attending Physician appropriated funds	<u>-155.50</u>	<u>-1,217.58</u>
NET INCREASE IN WORKING CAPITAL	<u>\$ 404.69</u>	<u>\$ 1,001.37</u>